

INFORMATION BULLETIN

WORKFORCE INVESTMENT ACT

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: LWIA ADVISORY COMMITTEE CONFERENCE CALL MINUTES—
JANUARY 20, 2006

The minutes and revised agenda from the Local Workforce Investment Area (LWIA) Advisory Committee conference call on Friday, January 20, 2006, are attached for your review and information. Please ensure that the minutes are provided to the appropriate staff.

If you have any questions regarding the minutes, please contact Jim Scholl, at (916) 657-4610.

/S/ BOB HERMSMEIER
Chief
Workforce Investment Division

Attachments

LOCAL WORKFORCE INVESTMENT AREA ADVISORY COMMITTEE CONFERENCE CALL

Friday, January 20, 2006

Agenda

10 a.m.	Welcome/Agenda Building/Hot Topics	Bob Hermsmeier, Workforce Investment Division (WID)
	<ul style="list-style-type: none">• New Branch Update• Common Measures Training• Performance Negotiations• Cal JOBS Release Notification• EDD Performance Audit• NEG/Katrina• Winter Storm Declaration• WIA 25 Percent Account	
	California Workforce Investment Board (CWIB) Update	Ray York, CWIB
	<ul style="list-style-type: none">• CWIB Workgroups• One-Stop Certification• Dislocated Worker Workgroup• Waiver Workgroup	
	One-Stop Survey	Linda Rogaski, WID
	Peer Expert Directory	Liz Clingman, WID
	Eligible Training Provider List Workgroup	Liz Clingman, WID
	Allocations Data	Tim Taormina, Labor Market Information Division
	Confidential Data/Subgrants	Liz Clingman, WID

LOCAL WORKFORCE INVESTMENT AREA ADVISORY COMMITTEE CONFERENCE CALL MINUTES

Friday, January 20, 2006

Welcome/Agenda Building/Hot Topics—Bob Hermsmeier, Workforce Investment Division (WID)

- **New Branch Update.** The new Workforce Service Branch (WSB) is a consolidation of the Job Service Branch and the Workforce Development Branch, including the Labor Market Information Division (LMID), and WID, under Deputy Director Dennis Petrie. The process for consolidation started with the formation of six functional teams consisting of managers from both organizations. The teams' input will be used to redesign the Branch organization. The first team, focused on training, is targeting an early February completion date. Overall, the new Branch is functioning in a consolidated manner. Dennis Petrie is holding a number of joint meetings with the Branch staff and managers. However, since the new organization chart has not been developed, WSB is operating under the existing structure.
- **Common Measures Training.** Liz Clingman stated the State trained over 500 local staff in Common Measures training in Los Angeles, San Francisco, Visalia, San Diego, and in a workshop at the California Workforce Association (CWA) Youth Conference. The State received good questions, which helped identify some of the policy and administration issues. The Department of Labor (DOL) is in the process of revising Training and Employment Guidance Letter (TEGL), 28-04, originally issued on April 15, 2005, which will clarify a few things. The most significant change in the TEGL is going to be a change in the wage measure for adults and dislocated workers. This pending change was presented in all the training sessions. The next step, the System Support Section will be organizing a workgroup(s) to look specifically at two issues in the new guidance. First will be the implementation of the Youth Measures. Second, the requirement that the State report an aggregate count of self-service clients accessing the One-Stops.

The new Wage Gain Measure for dislocated workers and the revised Retention Measure for the Adult and Dislocated Worker program are effective July 1, 2005. For youth, the State is reporting two of the three measures at the State-level now. The WID must begin reporting the third measure, Literacy-Numeracy, on July 1, 2006. The Secretary of Labor cannot make the State and the Local Workforce Investment Areas (LWIA) accountable for the Youth Measures until after reauthorization of the Workforce Investment Act (WIA). This spring, the Capacity Building Unit staff will start rolling out classroom training on these measures. Through information bulletins, the WID will provide both the slides used in the regional training as well as the slides used at the California Workforce Association (CWA) Youth Conference. The questions and answers that came out of the training will also be available on the Web site.

- **Performance Negotiation.** The State Performance Negotiation package for Program Years (PY) 2005-06 and 2006-07 should be out in February.
- **CalJOBS Release Notification.** A new process is in place as part of the consolidation. If there's a major change in CalJOBS system, WSB will announce it in an information bulletin similar to the announcements of the Job Training Automation System (JTA) releases.
- **EDD Performance Audit.** The Employment Development Department (EDD) internal auditors are looking at certain elements of EDD's administration of WIA. The audit scope is to review the roles and work of the Regional Advisors, the WID Program Project Managers, the Program Review Branch's Monitoring Section, and also local EDD staff in the One-Stops, and those who are members of the Local Workforce Investment Board (LWIB). The intent of the Audit Team is to assure there are clear roles, responsibilities, communication, and coordination between all elements. The Auditors will meet with some local administrators and staff for input. The audit field-work will be completed in March and the final report will come out in June. The WSB has an interest in the EDD monitors' relationship to the Regional Advisors and Project Managers of WID. This is an internal audit and is done periodically for different programs in different branches. It is not compliance oriented. It is structured in a way that will produce positive outcomes on how EDD does the job in the future.
- **National Emergency Grant (NEG)/Katrina.** On January 19, an e-mail message was sent to the local areas requesting updated information on projected Katrina enrollments and expenditures. The WID last surveyed the local areas in late September. That survey resulted in a total funding request for approximately \$5.8 million. Currently, the JTA system only shows 311 Katrina-related enrollments. This enrollment number may be low because some local areas were not comfortable using the 777 Katrina Enrollment Code. However, WID needs to use current data to develop a realistic budget for this NEG. Staff also clarified that each LWIA still has the opportunity to be reimbursed for past Katrina expenditures.

Jan Vogel asked if this is separate from the deployment of mobile vans and disability navigators to help the Katrina victims. It is separate.

- **Winter Storm Declaration.** Related to the disasters, the Governor sent a letter to the President asking that the damage resulting from the late-December storms be declared a federal disaster. If that happens, WID will work with impacted areas to determine how much NEG funding these local areas may need to assist in clean up and mitigation activities. The local areas can contact Jose Luis Marquez to report storm damage estimates.
- **WIA 25 Percent Account.** There is 25 Percent funding available. If there is a local area need for the dislocated worker funds, submit the request for review.

California Workforce Investment Board (CWIB)—Ray York, CWIB

- CWIB Workgroups. The following is an update on the CWIB committees.
 1. Accountability in Workforce Investments, Ray York. The committee is scheduled for a meeting on Wednesday, January 25 in Hawthorne. The agenda items include Adult Education and a CWIB survey on effective partnerships with Adult Education and the One-Stop. The committee was going to move forward with that the first week of December. New developments have occurred with respect to California Department of Education (CDE) and this item is now in a holding pattern. Recently, CDE indicated they would like to do a survey. The committee is looking at incorporating the original survey into the survey that CDE is doing in April.

For the One-Stop Career Center Cost Study, the committee is finalizing a contract with Richard Moore, a consultant. Mr. Moore and the committee have met regularly to discuss methodology, approach, protocol, and marketing. The CWA invited the committee to give a presentation at the CWA Youth Conference in Southern California, and to the One-Stop Operators in Northern California.

Virginia Hamilton stated the meeting in Southern California went well. She indicated it was her understanding the meeting with the One-Stop Operators in Northern California produced some issues. Richard Moore was not in attendance at this One-Stop Operators meeting. Virginia suggested that Mr. Moore attend the next CWA Board meeting on March 10 in San Francisco.

The next step is to establish a Steering Committee at the State-level with representatives from the LWIAs as part of the committee. It should be completed within the next few weeks. A good component of the Steering Committee is to have local representative and keep the LWIAs involved in the movement. The CWIB will be identifying who's going to participate at the State and local level.

On January 25, John Deets of the Santa Ana Workforce Investment Board will give a Return on Investment (ROI) presentation on Universal Access. This presentation is in keeping with the committee's request for research into statewide local area ROI studies.

2. Targeting Resources Committee, Daniel Patterson. The committee met in Sacramento on January 12. The staff was charged to form two workgroups. The first workgroup will develop language for a Solicitation for Proposal to fund minimum wage workers in the 25-54-age range. The workgroup will provide and update the committee at their March 2 meeting in Sacramento. The second workgroup will develop a project in the Goods Movements sector. The California Community Colleges Economic Development Workforce Development Program presented a proposal they submitted to DOL for the growth initiative. The CWIB staff is in the process of meeting with the Community College to review the proposal.

Barbara Halsey stated that San Bernardino and Riverside Counties prepared a Goods Movements proposal, as well, to DOL that was a nine-community college

collaborative. Brian McMahon asked that the proposal be sent to Daniel Patterson for workgroup review.

3. Business and Industry Committee, Javier Romero. The next meeting will be either March 8 or 9 in Southern California. The following agenda items will include (1) Approval of recommendations from the Basic Business Services Workgroup. The work may not be totally completed. (2) A discussion and approval of recommendations related to two joint surveys that the committee did with the California Association for Local Economic Development and the California Manufactures Technology Association. (3) An initial discussion of High-Wage High-Growth Strategies.

A workgroup of local area staff and key stakeholders convened on January 5 to begin discussions related to establishing a basic level of business services in the One-Stops. This committee's second meeting is scheduled for Tuesday, January 24 to begin developing recommendations that will be presented to the Committee at the March meeting. Waivers and Rapid Response will be discussed as well.

4. Lifelong Learning Committee, Paul Gussman. The following items were approved at the November 30 meeting. (1) The vision statement for Lifelong Learning, (2) the idea of working collaborative on an initiative around Career Technical Education, and (3), the committee taking a prominent role in implementing DOL's new Youth Vision at the State and local levels.

At the January 19 meeting, representatives from the Riverside Community College Gateway project, made a presentation on options for out-of-school youth. The CWIB recommended establishing a working committee to examine various educational options for out-of-school youth.

The other item was a discussion of developing planning guidance promoting lifelong learning to be included in the guidance for local area plans. Virginia Hamilton indicated that any change in the planning guidance should be delayed until PY 2007-08.

Brian McMahon said the mandate of this committee is to take fairly broad-based discussions that have occurred over the last few meetings and broad-sector type of input and start to draw this together into a specific project-related focus that integrates the workforce system and the local areas into a meaningful partnership within industry and business.

Barbara Halsey of San Bernardino said she would like to facilitate contacts for this committee with their superintendent of schools, Herb Fischer, and the Alliance for Education. She volunteered to forward materials to CWIB from the Alliance Executive Board meeting where the San Bernardino education entities looked at strategies for family and industry involvement and involving economic workforce development to come up with solutions.

- One-Stop Certification. Extensive work by the Board had been done on the One-Stop Certification process. However, the final phase of the project did not occur due

to unresolved policy issues that remained with the stakeholders group, in addition to the Labor Workforce Development Agency raised issues with the vendor contract to complete the final phase. The committee is considering the feasibility of taking this issue up again and completing it because the State's Two-Year Strategic plan states that their Board will consider completing a new State-level One-Stop Certification System. One of the considerations, as a first step, is to suggest to the committee that staff conduct an environmental scan of the One-Stop Certification process in other states and within State.

Andrea Baker, an original member of the One-Stop Certification committee, stated that with all the new LWIB directors, they should see the product in order to comment.

Virginia Hamilton stated that the original committee was creating a higher voluntary system that would not require people who already have certification processes in place to change them.

- Dislocated Worker Workgroup. There have been some issues surrounding the required and allowable kinds of activities as it applies to Rapid Response 25 Percent. Also, there are basic administrative and State-level issues. An informal dislocated worker 25 Percent workgroup reviewed these issues, which were categorized as either funding or State-level issues. At the first meeting on December 12, the workgroup looked at the five following issues:

1. Should the State look at revising the guidance regarding Rapid Response *required* and *allowable* expenditures separately? Members of the group, Fred Slone, Barbara Halsey, and Jeff Ruster, formed a subgroup and volunteered to assist in developing a waiver and recommended moving it forward to DOL in regards to those activities. On January 17 the subgroup held a conference call to discuss possible approaches to drafting a comprehensive waiver request.
2. Should the State continue to require separate reporting of *required* and *allowable* expenditures? The DOL does not require it and the workgroup discussed what value is this in terms of reporting both these items out separately. There is a cost burden to the locals to do this.

An advisory member asked why the State needs these items reported separately. Bob Hermsmeier said he was not aware of a DOL requirement on this. The State is gathering data to support the system of the use of the Rapid Response funding. The WID now has 2-1/2 years of data. Most of the local areas indicated having trouble accurately reporting the information. The State is looking forward to the workgroup's recommendations.

3. Should the State reassess the Dislocated Worker 25 Percent existing policy framework? The workgroup came to conclusion that it was not necessary to revisit or reassess it.
4. Should the State reexamine the Dislocated Worker 60 Percent allocation formula? At this time, the workgroup has concluded that the State should not

supplement the local areas Dislocated 60 Percent formula allocations with 25 percent Dislocated Worker funding to compensate for the loss of formula funds due to the Bureau of Labor Statistics (BLS) dropping the Mass Layoff Statistics (MLS) data on government and agriculture. This will be up for further discussion in the next workgroup meeting.

Virginia Hamilton asked if given no change to the formula, did WID actually set aside money for those LWIAs that were disadvantaged because MLS no longer collected data on government or agriculture.

Bob Hermsmeier said no money was set aside. Based on historical data, the State calculated for the current year the effect to be about \$4 million. Those affected LWIAs received a one-time-only special need mitigation. The workgroup is deciding if the State should do that again for PY 2006-07. The \$4 million of this year might be closer to \$8 million next year.

5. Should the State change the data used to calculate the dislocation component of the Rapid Response formula? The dislocation component is the amount of dislocation in a local area as reported by the locals. The State is concerned that the formula should be based on actual layoffs. There was discussion about presenting options. The State had presented an option based on formula possibly on the number of people attending orientation or the number of Rapid Response events as recorded on the 121 forms. The group rejected that option and there was no consensus reached. This will be taken up at the next workgroup meeting in February.
- Waiver Workgroup. The workgroup has gone through the list of waiver suggestions that were generated during the WIA two-year planning process. The workgroup has reduced the list to three waivers that are being considered for transmittal to DOL. The waivers include (1) the requirement that match for customized training be 50 percent. The waiver would reduce the 50 percent requirement allowing for a sliding scale from 10 to 50 percent. (2) The transferability of funds between adult and dislocated worker programs. The waiver would request some increased flexibility to transfer 20 to 50 percent rather than the current 20 percent. (3) The activity allowable under Incumbent Worker Training. The way DOL has granted the Incumbent Worker Training waiver is broader than just allowing formula funds to be expended on incumbent worker training. The DOL has granted this waiver so that local areas could use a certain percentage of their formula funding for statewide activities.

With the help of WID, WIA Directive [WIAD05-13](#), *WIA Waiver Request Process*, dated February 9, 2006, extended the timeline for the solicitation period for waivers to January 31. The workgroup is attempting to get the three waiver requests out for public comment as a waivers request package, hopefully the second week of February. Then the package can be presented to the Administrative Committee of the Board the first week of March. If approved, it will go to the full Board meeting on March 30. This will meet DOL's 90-day time period for submitting the waivers.

Virginia Hamilton asked if it is possible for the list of other states waivers be sent electronically to the locals for review. John Bohart agreed to send the matrix, developed by CWIB and WID staff, of waivers granted to other states, to the local areas.

One-Stop Survey—Linda Rogaski, WID.

Last week letters went to all Directors regarding the One-Stop survey asking them to provide information regarding each of their One-Stops and operators. Thank you to Tim Taormina and his staff for helping put the survey together and making it an on-line process. The information is expected to be back January 30. The request will then go to the local One-Stop operators to have them complete and send it back. The WID will compile all the information for each local area and send it back to the Directors so they will have complete documentation for their area.

Peer Expert Directory—Liz Clingman, WID.

This is an outgrowth of the National Dislocated Worker workgroup. The DOL is attempting to put together a Peer Expert Directory seeking state and local experts related to serving dislocated workers. This directory of experts is being created for other states to contact when they have questions in these areas. When the request came to the State, the WID saw that it raised the key question, what the criteria is for an expert? Does California want to put any names forward for this national directory? How should WID solicit for these experts? The State has the option not to participate.

Virginia Hamilton suggested it should be experts at the director level.

Ray Worden suggested sending a directive or bulletin to see if the locals have any nominations and submit them.

The item will be discussed in more detail by WID staff. The WID may issue an information bulletin to ask for experts.

ETPL Workgroup—Liz Clingman, WID.

At the request of CWIB, the WID is doing a review of the administrative practices around the Eligible Training Provider List (ETPL) to look at improvements in the current administration of the “initial list”. Also, the current waiver is slated to end June 30, 2007. The WID is looking at the administrative procedures for subsequent eligibility with the idea of being ready to implement on July 1, 2007. The workgroup has uncovered a number of administrative issues. There have been two conference calls and there will be a face-to-face meeting of the workgroup. This will happen sometime in February. Plans call for a re-issuance of the WIA Directive [WIAD01-16](#) sometime in March or April.

Allocations Data—Tim Taormina, LMID, and Dave Rexius, WID.

- Federal Budget Presentation, Dave Rexius. At the National level for the three funding streams, there will be a reduction of more than \$100 million in PY 2006-07

over the funding levels in PY 2005-06. This breaks down to approximately \$39.5 million reduction in the adult program, \$45.7 million reduction in the youth program, and a \$14.7 million reduction in the dislocated worker program. When comparing the three programs in California and using only historical data to project out, there would be about a \$5.6 million reduction in the adult program, a \$6.3 million reduction in the youth program, and a \$1.8 million in the dislocated worker program. Overall, it equated to actually 3.09 percent reduction, based upon what California received last year. The amounts presented included the 1 percent across the board reduction for non-veterans program. However, these numbers are very soft due to DOL methodological changes in how allocations are made (see next item).

- Substate Allocation Information, Tim Taormina. At the October 20 Advisory Committee meeting, LMID indicated a change to move to the census tract calculation for substate allocations. The LMID has recently learned that BLS has actually corrected the Local Area Unemployment Statistics (LAUS) data, the 313 LAUS areas in California for the group quarters population problem. The Census Bureau has refused to do the similar type corrections for the census tract in California or any states. The Employment Training Administration is requiring that whatever methodology the State adopts, whether it is census tract or LAUS, the State has to correct for the group quarters problem. Because LMID has no way to correct for California's data without the Census Bureau making this correction, the census tract methodology cannot be used in California. It leaves the LAUS methodology as the only methodology open for California's substate allocations. The LAUS methodology will also be used by DOL to make allocations to the states. Early analysis indicates this new methodology may not be favorable to California.

Confidential Data/Subgrants—Liz Clingman, WID.

A concern has been raised around the fact that some local client data are not being maintained/managed by the workforce investment area/board. In some areas, the data are being housed and stored on servers that are handled by a subgrantee. When this came to EDD's attention, concerns were raised by EDD's Information Security and by the Legal Office that the subgrants did not address confidential information standards relative to someone other than the direct grantee handling confidential information required for a federal program. Under Section 21 of the General Provisions to the local subgrant, WID is making some additions. This will include language concerning the security on the servers, the retention period for the data, the need to make full disclosure to the client of how these data will be used, and who is maintaining the data. In local areas where these conditions exist, WID will immediately make bilateral modifications to the subgrants. For the other local areas, these changes will be made a part of the new subgrant modifications.

There's nothing in the new language that precludes a private vendor for managing local data. The new language prescribes standards around that process primarily related to data retention, the State's responsibility relative to those systems.

Next Meeting Date

A major item for the next Advisory Committee meeting would be to have a discussion about Temporary Assistance for Needy Families (TANF) reauthorization and the new work participation rules. The TANF reauthorization takes effect October 2006. There will be a February meeting in Sacramento or a conference call. E-mail will be sent out to poll the committee members for preferences for the next meeting.